TO: **Public School Corporations and Charter Schools**

FROM: **Melissa K. Ambre, Director**
                Office of School Finance

DATE: **March 10, 2017**

SUBJECT: **State Tuition Support Projections for FY2018 and FY2019**

This memorandum provides information about the location of projections of school funding formula variables for the FY2018 and FY2019 state tuition support formula simulations. The data projections have been prepared by staff at the Legislative Services Agency (LSA) and will be used by the General Assembly to forecast the costs of potential funding formulas.

Under I.C. 20-43-4-2 and before April 1, each school corporation shall provide to the Department of Education (department) an estimate of the ADM that will result from the September count. If appropriate, the department may adjust and update the estimate. The department will provide the updated and adjusted estimate of each school corporation's ADM estimate to LSA before April 10. **The department will not collect another ADM estimate from school corporations and charter schools**. The final estimate will be used to calculate FY2018 state tuition support beginning in July until the fall count is final.

Changes to the LSA data projections can be made if you believe any of the projections are not representative of the data for your corporation. In order for us to provide revised data to the LSA staff, for meaningful use in the next formula simulation, we must receive your changes between March 15 and March 31, 2017. The Department will provide a file containing all the estimated components to LSA on or before April 10, 2017.

To effect a change in the data, access the School Finance Application Center at https://dc.doe.state.in.us/StateAid/. The Application Center is a secure site and a User-ID and Password are required. The User-ID is the 4-digit school corporation or charter school number and the password is the 4-digit PIN. Click on Corporation Information and then Estimate Formula Components. This link is on the left-hand side of the page.

Each estimated component appears in the columns titled 2017-2018 LSA Forecasted Data, 2018-2019 LSA Forecasted Data, 2017-2018 Corp Forecasted Data, and 2018-2019 Corp Forecasted Data. Changing the estimated data will occur in the columns titled 2017-2018 Corp Forecasted Data and 2018-2019 Corp Forecasted Data. If no change is made to the LSA forecasted data, the value in the Corp forecasted data will

default to the LSA forecast. After all changes are made, click the Save All Changes button on the lower right-hand side of the screen.

Staff in Legislative Services Agency have provided an explanation of their forecasting methods as follows:

ADM: The September ADM was projected by determining the increase/decrease in Sept. ADM for the last three years and weighting the difference:

Example: 2018 Sept ADM = 2017 Sept ADM + (0.5 * (2017 Sept ADM - 2016 Sept ADM)) + (0.3 *(2016 Sept ADM - 2015 Sept ADM)) + (0.2 * (2015 Sept ADM - 2014 Sept ADM)). There are guardrails included so the increase in the 2018 Sept ADM would not be greater than 10% or the decrease less than 5% of the 2017 Sept ADM.

The February ADM: LSA computed the percentage change in ADM from September to February for the previous three (3) years and took the average. If the average is less than 1 it is replaced with ((average -1) / 2) +1. This essentially cuts the decrease in half. If the average is greater than one, it is not changed.

Example: 2018 February ADM = 2018 Sept ADM * Avg % Change.

Special Ed Counts: For 2018, for each category (Severe, Moderate, Communication, PreSchool), it is first determined if the trend is increasing or decreasing using the data from the previous two years.

Examples:
If the trend is increasing:
2018 Spec Ed Category = 2017 Spec Ed Category + (2017 Spec Ed Category - 2016 Spec Ed Category). The increase in the 2018 Spec Ed Category is capped at 10% of the 2017 amount.

If the trend is decreasing, we compute the percentage decrease and subtract it from the 2017 count:
2018 Spec Ed Category = 2017 Spec Ed Category * (1+ (2017 Spec Ed Category - 2016 Spec Ed Category)/2016 Sped Ed Category). The maximum decrease is capped at 5%.

Career and Technical: We use the same computation as for the Spec Ed. for each of the following categories:
More than Moderate Labor Market Need/High Wage;
More than Moderate Labor Market Need/Moderate Wage;
Moderate Labor Market Need/High Wage;
Less than Moderate Labor Market Need/High Wage;
Introductory CTE Course;

Foundational CTE Course;
Apprenticeship, Co-op, Work Based Learning;
Area Participation

Examples:
If the trend is increasing:
2018 CTE Category = 2017 CTE Category + (2017 CTE Category - 2016 CTE Category). The increase in the 2018 CTE Category is capped at 10% of the 2017 amount.

If the trend is decreasing, we compute the percentage decrease and subtract it from the 2017 CTE Category:
2018 CTE Category: 2017 CTE Category * (1+ (2017 CTE Category - 2016 CTE Category) /2016 CTE Category). The maximum decrease is capped at 5%.

Honors: The Honors Total Count is made up of Honors students who qualify for SNAP, TANF, or Foster care plus the number who do not qualify. Each group is subdivided into students who are in the Academic Honors program and those who are in the Technical Honors program.

Example:
The total number of students in the Honors program is projected by determining the increase/decrease in the count for the last three years and weighting the difference:

2018 Total Count = (2017 Total count + (0.5 * (2017 Total count - 2016 Total count) + 0.3 * (2016 Total count - 2015 Total count) + 0.2 * (2016 Total count - 2015 Total count)

There are guardrails included so the increase in the total count would not be greater than 10% or the decrease less than 5% of the 2017 Total count. Once the total count is established, the total number of students who qualify for SNAP, TANF, and Foster care (STF) and the total number who do not (NSTF) are computed. First, the percentage of the total count who qualified in 2017 is computed:

2018 STF Total = % of 2017 Total count that is STF * 2018 Total Count

Then, that count is used to find the NSTF Total:
2018 NSTF Total = 2018 Total count minus 2018 STF Total

Once the 2018 STF Total and 2018 NSTF totals are computed, the number of students in the Academic Honors program and Tech Honors program in each group can be computed.

2018 NSTF Technical Honors = % of 2017 NSTF Total that is Tech Honors * 2018 NSTF Total

2018 NSTF Academic Honors = 2018 NSTF Total minus 2018 NSTF Technical Honors.

Similarly:

2018 STF Technical Honors = % of 2017 STF Total that is Tech Honors * 2018 STF Total

2018 STF Academic Honors = 2018 STF Total minus 2018 STF Technical Honors.